

***City of Miami Springs Police and Firefighters'
Retirement System
Minutes of the Meeting Held
November 7, 2013***

The regular meeting of the Board of Trustees of the City of Miami Springs Police and Firefighters' Retirement System was called to order at 8:36 AM by Chairman Peter Baan in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

TRUSTEES PRESENT

Peter Baan, Chair
Jimmy Deal, Trustee
Jonathan Kahn, Trustee
Robert Gordon, Trustee

OTHERS PRESENT

Audrey Ross, Pension Resource Centers (PRC)
Steve Cypen, Cypen & Cypen
Grant McMurry, ICC Capital Management
Brendon Vavrica, Thistle Asset Consulting
Jim Haymes, Polen Capital
Steve Atkins, Polen Capital

PUBLIC COMMENTS

N/A

REAPPOINTMENT OF 5TH TRUSTEE

Ms. Ross noted that Mr. Kahn is currently the 5th Trustee and his term expired September 30, 2013.

MOTION: Mr. Deal made a motion to reappoint Mr. Jonathan Kahn as the 5th Trustee on the board with his new term set to expire on September 30, 2015.

SECOND: Mr. Gordon seconded the motion.

CARRIED: The motion carried 4-0.

INVESTMENT MANAGER REPORT: POLEN CAPITAL MANAGEMENT (JIM HAYMES & STEVE ATKINS)

Mr. Haymes introduced himself and Mr. Atkins. He briefly updated the board on the firm and noted that they got 3 new clients within the last quarter and also their current investors are adding more money with them as well. Mr. Haymes reviewed the funds historical performance and explained why they have been underperforming more recently. He commented that this plan has had a bad run with Polen since they were hired earlier this year, but he reminded the board that Polen adds the downside protection to the portfolio. For the quarter ending September 30, 2013 the fund was still behind the index net of fees at 6.47% versus 8.11%, and for the fiscal year ending 2013 they are in the same position at 7.75% net of fees versus the index at 18.03%. Lastly, since inception on January 3, 2013 through October 31, 2013 they are also behind the index at 12.01% versus 23.25%. Mr. Atkins reviewed the funds stock selection and discussed how the market change has affected their performance. Polen only buys high quality growth companies with low debt and unfortunately the market is not rewarding their investments style at this time. Investors are currently looking for low yield in the market place and unfortunately it is not coming from the high quality stocks. Mr. Atkins reiterated that Polen helps protect the portfolio on the downside over time and they do not go up as high as the index does when the

market does rise. Currently they feel that the market is being driven by non-fundamental issues, which does not work for their style. Hopefully things will start slowly turning around.

INVESTMENT MANAGER REPORT: ICC CAPITAL MANAGEMENT (GRANT MCMURRY)

Mr. Grant discussed the current market environment and commented that September was a volatile month. The 10 year Treasury bond yield rate increased, which made ICC shorten their duration to reduce their risk in the bond market. He also noted that there was not a lot of movement in fixed income, as investors are still moving into stocks. For the quarter ending September 30, 2013 the total fund was behind the index at 2.08% net of fees versus 3.55%, but for the fiscal year ending 2013 they outperformed the index net of fees at 11.59% versus 11.54%.

INVESTMENT CONSULTANT REPORT: THISTLE ASSET CONSULTING (BRENDON VAVRICA)

Mr. Vavrica commented that he just received the Salem Trust September custodial statement yesterday so today's reports are hot off the press. He noted that Thistle will be doing a thorough comparison of statements to see if there was any impact to the portfolio because of Salem Trust's delays.

Mr. Vavrica reviewed the report for the quarter and fiscal year ending September 30, 2013. During the quarter all indices were positive, even fixed income, although it did not outperform the benchmark. He reviewed the plans compliance checklist and stated that there were a lot of "no's" for the total fund returns for all time periods. Mr. Vavrica briefly commented on the plan's current asset allocation and noted that the plan now has a 3% allocation to American Realty. For the quarter ending September 30, 2013 the total fund was slightly behind the index net of fees at 3.23% versus 4%, but for the fiscal year they outperformed the benchmark and also the plans assumed rate of return at 11.64% net of fees versus 10.70%. Mr. Vavrica briefly reviewed each manager's return for the quarter and stated that all the managers were positive, but Polen and ICC did not outperform their benchmark net of fees; American Realty did at 3.11% versus 2.59%. The board reviewed the risk versus reward chart and Mr. Vavrica pointed out that the plan has basically stayed in the same position (the "bad quadrant") for quite sometime now and it does not compare to other funds. Overall the plan is taking more risk for less of a return, but in 2010 the fund was at the top of the "bad quadrant" box, but now they are slowly moving towards the top which is positive. Mr. Vavrica stated that is why he has been trying to get the plan to diversify out more; such as International. The Trustees discussed and noted that they did recently invest in Real Estate which added a little more diversification to the portfolio, but they would also like to revisit the International funds since they already interviewed them. Mr. Vavrica noted that he will bring back the International information to the next meeting.

MINUTES

The board reviewed the minutes of the July 12, 2013 special meeting.

MOTION: Mr. Deal made a motion to approve the minutes of July 12, 2013 special meeting.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 4-0.

The board reviewed the minutes of the August 1, 2013 regular meeting.

MOTION: Mr. Kahn made a motion to approve the minutes of August 1, 2013 regular

meeting.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 4-0.

DISBURSEMENTS APPROVAL

Ratification of warrants processed since the August 1, 2013 Meeting

| Warrant # | Payee | Amount | Invoice Date |
|-----------|---|-------------|-------------------|
| 283 | Holland & Knight LLP - Invoice #2939200 for professional services rendered through July 29, 2013 (Pension Plan Compliance Review - IRS Determination Letter) | \$225.00 | 7/29/13 |
| | Averageman Insurance Agency - Invoice #6510 - Fiduciary Liability renewal = \$5,176 & Company Fee = \$105 (Effective Date 03/22/13 til 8/22/14) | \$5,281.00 | 7/26/13 |
| | Pollen Capital Management, Inc. - 4/1/2013 thru 6/30/2013 Quarterly Management Fee | \$8,029.00 | 7/8/13 |
| | Thisile Asset Consulting, Inc. Inv #20130617 (Executive Reports for the Quarter Ending June 30, 2013) | \$4,617.00 | 7/22/13 |
| | Omni Orlando Resort at ChampionsGate - Hotel Reservations for John Kahn (2013 FPPTA Conference - June 23-26, 2013 in Orlando, FL) | \$600.00 | 6/14/13 |
| | ICC Capital Management, Inc. Inv #57533192 (7/1/2013 thru 9/30/2013 Quarterly Management Fee) | \$22,937.22 | 7/3/13 |
| | Resource Centers, LLC - Invoices #12598 & 12648 (July & August 2013 Admin Fee) | \$1,800.00 | 6/28/13 & 7/31/13 |
| | Gabriel Roeder Smith & Company - Inv #401901 for services rendered through 5/31/2013 (Current Charges for Preparation of the 10/1/2012 Actualized Valuation Report = \$5,021.00; Review & Update SPD = \$1,642.00 & Preparation of Page 16a for Annual Report = \$500) & Inv #402255 for services rendered through 6/30/2013 (Final Charges for Preparation of the 10/1/2012 Actualized Valuation Report = \$3,368) | \$11,031.00 | 6/10/13 & 7/3/13 |
| | Cypen & Cypen Invoices #6677 & 6701 (July & August 2013 Legal Fee) | \$2,500.00 | 7/1/13 & 8/1/13 |
| 284 | FPPTA - Trustee School Registration Fee for Rob Gordon (9/29/2013 - 10/2/2013, PGA) | \$450.00 | 8/21/13 |
| | Cypen & Cypen Invoice #6726 (September 2013 Legal Fee) | \$1,250.00 | 9/1/13 |

| | | | |
|-----|---|-------------|----------|
| 285 | Resource Centers, LLC - Invoice #12710 (September 2013 Admin Fee) | \$934.46 | 8/30/13 |
| | Holland & Knight LLP - Invoice #2948871 for professional services rendered through August 31, 2013 (Pension Plan Compliance Review - IRS Determination Letter). | \$550.00 | 8/23/13 |
| | Pinette Asset Consulting, Inc. Inv #20130916 (Executive Reports for the Quarter Ending September 30, 2013) | \$4,617.00 | 10/28/13 |
| | Gypen & Gypen Invoice #6753 (October 2013 Legal Fee) | \$1,250.00 | 10/1/13 |
| | Resource Centers, LLC - Invoice #12765 (October 2013 Admin Fee) | \$907.78 | 9/30/13 |
| | ICC Capital Management, Inc. Inv #57533357 (10/1/2013 thru 12/31/2013 Quarterly Management Fee) | \$23,039.43 | 10/4/13 |
| | Holland & Knight LLP - Invoice #2960801 for professional services rendered through September 30, 2013 (Pension Plan Compliance Review - IRS Determination Letter). | \$125.00 | 9/25/13 |

MOTION: Mr. Kahn made a motion to approve Warrants 283 through 285.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 4-0.

FINANCIAL STATEMENTS

Ms. Ross presented to the board the financial statements through the end of August 2013.

The Board received and filed the financial statements through the end of August 2013.

OLD BUSINESS

Ms. Ross stated that she spoke to the Actuary in regards to the Summary Plan Description (SPD) and he needed more direction as to what the DROP language needs to be revised to say. Mr. Deal stated that he just needs to update the DROP language to reflect the new language that was recently adopted by the board. Ms. Ross commented that she will relay that information to the Actuary and will have the revised SPD at the next meeting.

NEW BUSINESS

Ms. Ross presented the board with the GASB 67 implementation package from GRS. The trustees tabled this matter until next meeting when Ms. Ross receives more information from GRS.

Mr. Deal explained that the PBA recently requested a study to be completed by GRS in regards to negotiations. Ms. Ross noted that a copy of the GRS study that was completed at the request of the PBA was included in the meeting packets. Mr. Deal commented that the salary increase assumption that was used in the study was not up to date, nor accurate. Mr. Deal spoke to the Actuary about this and the Actuary recommended that an updated experience study should be completed by every 5 years. Therefore Mr. Deal would like the board to approve GRS to complete an updated experience study to review the salary increase assumption only at this time.

MOTION: Mr. Deal made a motion to approve and authorize the Actuary (GRS) to complete a salary increase assumption study, with the cost not to exceed \$2,500.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 4-0.

OTHER BUSINESS

The Trustees discussed staggering the investment manager's presentations in 2014. They noted that they would still like to hear from Thistle Assets every quarter, but they would like to alternate the attendance of Polen Capital and ICC to every other meeting.

MOTION: Mr. Gordon made a motion to approve and authorize that ICC Capital and Polen Capital alternate attending the meeting dates in 2014 (each manager will only attend 2 meeting in 2014).

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 4-0.

REPORTS

• Administrator: PRC (Audrey Ross)

- o Ms. Ross presented the board with the 2014 meeting dates.
- o Ms. Ross reviewed the letter from Salem Trust regarding their system conversation update. As of yesterday they have released the September statements, but obviously they were issued late. Ms. Ross stated that she will pass along any other correspondence that she may receive from Salem Trust regarding the conversion.

• Attorney: Cypen & Cypen (Alison Bieler)

- o Mr. Cypen briefly reviewed Senate Bill 50 regarding the public comments section at public board meetings. He commented that this bill now requires that a public comments section be placed on every agenda, in which this board already abides by.
- o Mr. Cypen explained that the board needs to file for another IRS Determination Letter before January 31, 2014 as the board's current letter expires on that day. He noted that the new letter will be good for another 5 years. Holland & Knight will again be helping Mr. Cypen's office file the letter and his projected fee will be no more than \$8K. In addition to the Holland & Knight fee there is another filing fee in the amount of \$2,500, which is sent directly to the U.S Treasury.

MOTION: Mr. Kahn made a motion to approve and authorize Holland & Knight to file the plan's IRS Determination letter by January 31, 2014, with the fee not to exceed \$8K (in addition to the \$2,500 filing fee).

SECOND: Mr. Gordon seconded the motion.

CARRIED: The motion carried 4-0.

- o Mr. Cypen presented the board with the forfeiture rules of procedures in regards to what happens to a member who is convicted of a specified offense

prior to retirement. Mr. Cypen explained that this document outlines what actions need to take place in case a circumstance where to arise.

MOTION: Mr. Kahn made a motion to approve and accept the forfeiture rules of procedures as presented.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 4-0.

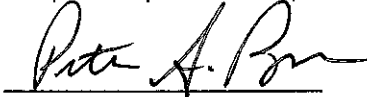
NEXT MEETING DATE

Thursday February 6, 2014 @ 8:30 AM

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 10:34 AM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Pete A. Baan", written over a horizontal line.

Pete Baan, Chairman